



THE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

October 8, 2002

The Honorable John D. Dingell
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Edward J. Markey
Ranking Member
Subcommittee on Telecommunications and the Internet
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Congressmen Dingell and Markey:

This will respond to your letter of October 8, regarding the composition of the new Public Company Accounting Oversight Board.

Your concerns appear to arise from inaccurate press reports last week that suggested the Commission had offered, and then withdrawn, an offer for the chairmanship of the PCAOB. As the Commission said in a public statement at the time, those stories are false. The Commission has made no offers to anyone, received no acceptances from anyone, and, indeed, has not yet finished interviewing potential candidates for the Board.

Subsequent untrue press stories have suggested that the Commission, or individual Commissioners, have been besieged by pressures to reject the purported choice of a Chairman that never was. In your letter, you attribute this to "some on Capitol Hill" or "the special pleadings of . . . the accounting profession." I am pleased to be able to allay your fear of any partisan or outside influence regarding any candidates under consideration by the Commission.

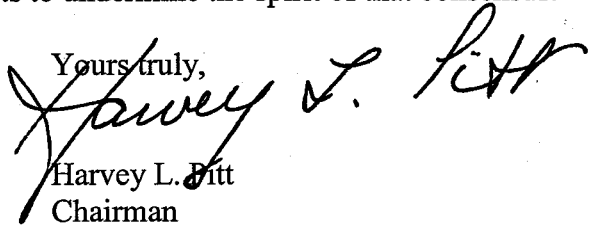
As for false stories planted in the press, intended to pressure our agency to select a specific candidate -- Mr. Biggs -- as the first Chairman of the Board, I do not intend to allow either this agency, or the Commissioners, to be coerced into selecting, or rejecting, any candidate for Board membership, simply because a publicly-orchestrated campaign has been undertaken. I'm sure you will be pleased to know that the process outlined in the Sarbanes-Oxley Act -- entrusting the selection of the Board to the Commission, in consultation with the Federal Reserve Chairman and Secretary of the Treasury -- has been scrupulously observed by our agency.

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I am proud that the Commission moved rapidly -- just one day after enactment of the Sarbanes-Oxley Act -- to solicit recommendations for membership on the PCAOB. To date, we have received nearly 500 nominations, and we are continuing to follow up on a number of promising individuals as possible members or Chair of the Board. You may rest assured that the Commission will select five "prominent individuals of integrity and reputation who have a demonstrated commitment to the interests of investors and the public" from among the nominations we have received.

The Sarbanes-Oxley Act was the product of bipartisan consensus, and I know that you join with me in deploring these efforts to undermine the spirit of that consensus.

Yours truly,

A handwritten signature in black ink, appearing to read "Harvey L. Pitt", written over the typed name and title.

Harvey L. Pitt
Chairman

cc: The Honorable W.J. "Billy" Tauzin
The Honorable Michael G. Oxley
The Honorable John J. LaFalce